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**FOOD AND NUTRITION SERVICES CERTIFICATION**  
**INCOME AND RESOURCES**  
**FNS 310 BUDGETING NEW, CHANGED, TERMINATED INCOME**

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**FNS 310 BUDGETING NEW, CHANGED, TERMINATED INCOME**  
**Change #11-2021**  
**August 27, 2021**

**310.01 CHANGES IN INCOME**

React to a change in income that is expected to continue for at least one month beyond the month in which the change is reported.

A. A change in earned income is defined as:

1. A change in the rate of pay; **or**
2. An ongoing change in the number of work hours; **or**
3. A new source of income; **or**
4. A terminated source of income.

B. A change in unearned income is defined as:

1. A change in the award amount (increase or decrease in the number in the WFFA assistance unit; a sanction or penalty in WFFA or SSI; or the annual increase in SSA, SSI, VA, or other retirement, etc.); **or**
2. A change in the source of income; **or**
3. A new source of income; **or**
4. A terminated source of income.

**310.02 BUDGETING NEW OR CHANGED INCOME RECEIVED DURING THE BASE PERIOD MONTH**

A. In the base period month, the individual receives a full month of payments **and** all payments received are representative. Budget income as follows:

1. Calculated and converted income: Use the income received during the base period month. Calculate and convert the income to a monthly amount using instructions from FNS 305.06 Budgeting Ongoing Income with Representative Base Period Income.

**Example:** The individual began a new job and received two (2) paychecks in the base period. The individual is paid every two weeks.

Week 1: \$198.55

Week 2: \$223.84

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Pay period amount:  $\$198.55 + \$223.84 = \$442.39 / 2 = \$211.20$

Monthly calculation:  $\$211.20 \times 2.15 = \$454.08$

2. Budget the monthly amount based on the type of action being taken.
  - a. Initial application or reapplication: Budget the calculated and converted amount for the month of application and ongoing months.
  - b. Recertification: Budget the calculated and converted amount for the first month of the new certification period and ongoing months.
- B. In the base period month, the individual receives a full month of payments and one or more of the payments received are nonrepresentative. Budget income as follows:
  1. Calculate and converted income: Use **only the representative payments** received during the base period to calculate and convert the income to a monthly amount using instructions from FNS 305.06 Budgeting Ongoing Income with Representative Base Period Income.

**Example:** The individual begins a new job and received two (2) paychecks in the base period. The first pay partial and is not representative. The second pay is representative of ongoing income. The individual is paid every two weeks.

Pay 1: \$83.22

Pay 2: \$343.84

Monthly calculation:  $\$343.84 \times 2.15 = \$739.26$

2. Budget the monthly amount based on the type of action being taken.
  - a. Initial application or reapplication: Budget the calculated and converted amount for the month of application and ongoing months.
  - b. Recertification: Budget the calculated and converted amount for the first month of the new certification period and ongoing months.

**310.03 BUDGETING NEW OR CHANGED INCOME RECEIVED DURING MONTH OF APPLICATION OR RECERTIFICATION**

- A. In the month of application or recertification, the individual receives a full month of payments **and** all payments received are representative. Budget income as follows:
  1. Calculated and converted income: Use the income received during the month of application or recertification. Calculate and convert the income to

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a monthly amount using instructions from FNS 305.06 Budgeting Ongoing Income with Representative Base Period Income.

**Example:** The individual began a new job and received two (2) paychecks in the month of application. The individual is paid every two weeks.

Week 1: \$198.55

Week 2: \$223.84

Pay period amount:  $\$198.55 + \$223.84 = \$442.39 / 2 = \$211.20$

Monthly calculation:  $\$211.20 \times 2.15 = \$454.08$

2. Budget the monthly amount based on the type of action being taken.
  - a. Initial application or reapplication: Budget for the month of application and ongoing months.
  - b. Recertification: Budget for the first month of the new certification period and ongoing months.
- B. In the month of application or recertification the individual receives a full month of payments and one or more of the payments received are nonrepresentative. Budget income as follows:
  1. Calculated and converted income: Use **only the representative payments** received during the month of application or recertification to calculate and convert the income to a monthly amount using instructions from FNS 305.06 Budgeting Ongoing Income with Representative Base Period Income.

**Example:** The individual begins a new job and received two (2) paychecks in the month of application. The individual is paid every two weeks.

Week 1: \$83.22

Week 2: \$343.84

Monthly calculation:  $\$343.84 \times 2.15 = \$739.26$

2. Actual income: Add all income received during the month of application to calculate the actual income for the month of application.

**Example:** The individual begins a new job and received two (2) paychecks in the month of application. The individual is paid every two weeks.

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Week 1: \$83.22

Week 2: \$343.84

Monthly calculation:  $\$83.22 + \$343.84 = \$427.06$

3. Budget the monthly amount based on the type of action being taken.
  - a. Initial application or reapplication:
    - Budget the actual income received for the month of application.
    - Budget the calculated and converted monthly amount for ongoing months.
  - b. Recertification: Budget the calculated and converted monthly amount for the first month of the new certification period and ongoing months.
- C. In the month of application or recertification, the individual has not received any pays but is reasonably anticipated to receive payments during the month. Budget income as follows:
  1. Verify the anticipated income by requesting the FNS unit member's hourly pay rate, expected number of work hours per pay period, the pay dates, and frequency of receipt to determine the new/changed income.
  2. Calculated and converted income: Use the verification of anticipated income to calculate and convert to a monthly amount.

**Example:** The employer verified that the individual will work 32 hours per week at \$10.23 per hour and is paid every two weeks.

$32 \text{ hours} \times 2 \text{ weeks} = 64 \text{ hours per pay period}$

$64 \text{ hours} \times \$10.23 = \$654.72$

Monthly calculation:  $\$654.72 \times 2.15 = \$1407.65$

3. Actual income: Use the verification of anticipated income to calculate the monthly amount.

**Example:** The employer verified that the individual worked 33 hours at \$10.23 per hour and will receive that pay during the month of application or recertification.

Monthly calculation:  $33 \times \$10.23 = \$337.59$

4. Budget the monthly amount based on the type of action being taken.
  - a. Initial application or reapplication:

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- Budget the actual income received for the month of application.
  - Budget the calculated and converted monthly amount for ongoing months.
- b. Recertification: Budget the calculated and converted monthly amount for the first month of the new certification period and ongoing months.

**310.04 BUDGETING NEW OR CHANGED INCOME DURING THE CERTIFICATION PERIOD**

- A. The individual has received at least one (1) full representative pay to date.  
Budget income as follow:
1. Calculate and converted income: Use only full pay(s) received to project the expected income per manual section 310.02.
- Example:** The individual begins a new job and has received two (2) paychecks to date. The individual is paid weekly, and the first check is for a partial week and the second is for a full week.
- Week 1: \$198.55 (partial)
- Week 2: \$223.84 (full)
- Week 3: \$245.32 (full)
- Pay period amount:  $\$223.84 + \$245.32 = \$469.16 / 2 = \$234.58$
- Monthly calculation:  $\$234.58 \times 4.3 = \$1008.69$
2. Budget the calculated and converted amount the month following the expiration of the DSS-8553 Notice of Adverse Action.
- B. The individual has not received at least one (1) full representative pay to date.  
Budget income as follows:

1. Calculate and converted income: Request the FNS unit member's hourly pay rate, expected number of work hours per pay period, the pay dates, frequency of receipt, and date of first pay to determine the new/changed income. Calculate monthly income based on verified information.

**Example:** The individual began a new job and has received one (1) paycheck to date. The paycheck was for a partial week in the amount of \$184.44. The employer verified that the individual will work 32 hours per week at \$7.25 per hour and is paid every week.

32 hours X \$7.25 = \$232.00

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Monthly calculation:  $\$232.00 \times 4.3 = \$997.60$

2. Budget the calculated and converted amount the month following the expiration of the DSS-8553 Notice of Adverse Action.

**310.05 BUDGETING INCOME TERMINATED DURING THE BASE PERIOD**

- A. The individual has terminated income and will receive no pays after the base period.
  1. Verify terminated income that occurs in the base period.
  2. Do not count income past the base period month.
  3. Budget the monthly amount based on the type of action being taken.
    - a. Initial application or reapplication: Budget zero for the month of application and ongoing.
    - b. Recertification: Budget zero for the first month of the new certification period and ongoing months.

**310.06 BUDGETING INCOME TERMINATED DURING THE MONTH OF APPLICATION OR RECERTIFICATION**

- A. Individual will receive a full month of income during the month of application or recertification.
  1. Verify terminated income that occurs in the base period.
  2. Calculate and convert income: Use the full pays received to calculate and convert to a monthly amount using instructions from FNS 305.06 Budgeting Ongoing Income with Representative Base Period Income.

**Example:** The individual lost their job during the month of application or recertification. The individual was paid every two weeks and received a full month pays.

Week 1: \$423.15 (full)

Week 2: \$315.27 (full)

Pay period amount:  $\$423.15 + \$315.27 = \$738.42 / 2 = \$369.21$

Application month calculation:  $\$369.21 \times 2.15 = \$793.80$

3. Budget the monthly amount based on the type of action being taken.
  - a. Initial application or reapplication:

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- Budget the calculated and converted monthly amount for the month of application.
  - Budget zero for ongoing months.
  - b. Recertification: Budget zero for the first month of the new certification period and ongoing months.
- B. Individual will receive only partial month of income in the month of application or recertification. Budget the income as follows:
1. Verify terminated income that occurs in the base period.
  2. Actual income: Use the verification of terminated income received to calculate the monthly amount.
- Example:** The individual lost their job and received their last paycheck in the month of application or recertification. The individual will receive one check for the amount of \$200.34.
3. Budget the monthly amount based on the type of action being taken.
    - a. Initial application or reapplication:
      - Budget the actual income for the month of application.
      - Budget zero for ongoing months.
    - b. Recertification: Budget zero for the first month of the new certification period and ongoing months

**310.07      BUDGETING INCOME TERMINATED DURING THE CERTIFICATION PERIOD**

- A. For **earned** or **unearned** income, verification of terminated income must be provided prior to removing the income from the FNS budget.
1. If verification is provided timely, remove the terminated income from the budget the month after the change becomes known to the FNS worker.
  2. If verification is not provided within the 10-day period, remove the terminated income the month after the verification is received.

**Example 1:** The individual lost their job and received their last paycheck in July. The worker requested verification of terminated wages and received them during the month of July. The worker would remove the wages effective August.

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**Example 2:** The individual lost their job and received their last paycheck in July. The worker requested verification of terminated wages and did not receive them until the month of September. The worker would remove the wages effective October.